Newfoundland Labrador

Housing

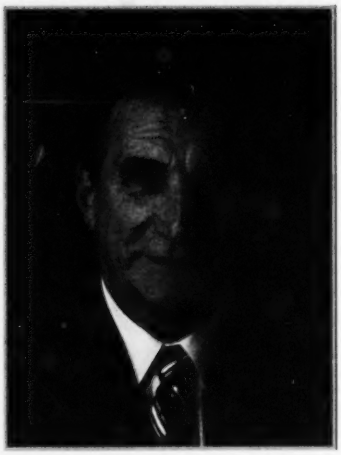
Annual Report 2008-09

Newfoundland Labrador

Housing

Annual Report 2008-09

Message from the Chair



I am pleased to present the 2008-09 Annual Report for Newfoundland Labrador Housing (*Housing*). This report provides an overview of *Housing* and touches on some of the highlights of 2008-09.

The Government of Newfoundland and Labrador has committed to transform our province from one with the most poverty to one with the least poverty and access to adequate and affordable housing is essential in reducing poverty. Government has therefore continued with its plan of making strong investments in housing infrastructure to improve the lives of low-income renters and homeowners.

Housing has focused its program delivery in 2008-09 on improving the physical condition of its housing in both urban and rural Newfoundland and Labrador. The priority this year has also been on assisting low-income homeowners improve the condition of their homes and encouraging energy efficiency to make homes more affordable.

Housing continues to work with its many partners to provide coordinated delivery of housing and services to families, seniors, youth at risk, victims of violence, persons with disabilities and others with special needs.

This Annual Report was prepared in accordance with the *Transparency and Accountability Act*, and was prepared under the direction of the Board of Directors of *Housing*. The Board of Directors are accountable for achieving the specific goals, objectives and results reported in this document. This report outlines *Housing's* activities and outcomes from April 1, 2008 to March 31, 2009.

Len Simms
Chair of the Board of Directors
Chief Executive Officer

Table of Contents

1.0 Overview 1

2.0 Shared Commitments 5

3.0 Highlights and Accomplishments 10

4.0 Report on Performance 2008-09 22

5.0 Opportunities and Challenges Ahead 29

6.0 Financial Statements 30

1.0 Overview

INTRODUCTION

In fulfilling its commitment to being accountable to the citizens of Newfoundland and Labrador, the Provincial Government introduced the *Transparency and Accountability Act (*the *Act).* This *Act* provides the legislative framework for strengthening accountability of government entities through multi-year performance-based plans and annual performance reports that are presented in the House of Assembly.

This report covers the first year of Strategic Plan 2008-11, which was developed under the direction of the Newfoundland Labrador Housing (*Housing*) Board of Directors. It outlines *Housing's* progress during 2008-09 in fulfilling its mandate of developing and administering housing assistance programs for the benefit of low and moderate income families.

VISION

The vision of Newfoundland Labrador Housing is that residents of the Province have access to safe and affordable housing.

MISSION

By 2011, to address changing housing needs Newfoundland Labrador Housing (*Housing*) will have improved housing conditions for low and moderate income households in Newfoundland and Labrador.

MANDATE

Newfoundland Labrador Housing is a crown corporation whose mandate is to develop and administer housing assistance programs for the benefit of low to moderate income households throughout the province.

LINES OF BUSINESS

Housing has four lines of business:

1. **Social Housing:** Provides subsidized rental accommodation to low income households who meet pre-determined criteria. Social housing assistance is subject to the number of available units funded in the public housing and private stock.

2. **Housing Supply Assistance:** Provides forgivable loans to property owners to undertake repairs or modifications to their homes and to public, private and non-profit organizations to develop new affordable rental housing stock for low to moderate income households.

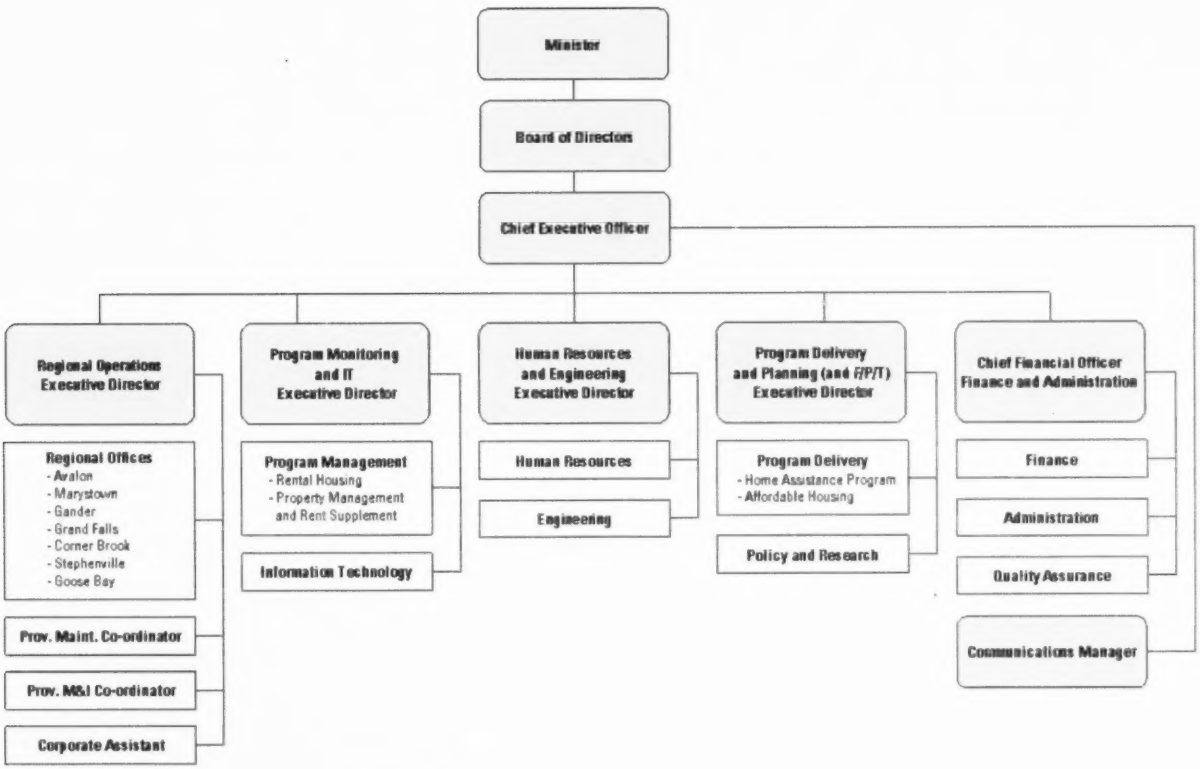
3. **Community-Based Housing:** Provides financial, technical, and administrative support to non-profit, co-operative and health sector housing providers who meet specified criteria. Subsidies are provided under various types of funding and operating agreements.

4. **Real Property Stewardship:** Develop and/or divest of corporate land and property holdings. Manage the financial interests in lands divested to municipalities and properties financed by *Housing* and operated by government departments and boards.

ORGANIZATION

Newfoundland Labrador Housing (*Housing*) is a provincial crown corporation which operates under the authority of the *Housing Corporation Act,* and is responsible for the implementation of government's overall social housing policy and programs. *Housing* is governed by a board of directors appointed at pleasure by the Lieutenant Governor in Council and reports to the Government of Newfoundland and Labrador through the Minister of Transportation and Works, Minister Responsible for *Housing*. (From April 1 to October 30, 2008, the Minister of Human Resources, Labour and Employment was responsible for Newfoundland and Labrador Housing Corporation.) The Chairman of the Board serves in a dual capacity as Chief Executive Officer and is responsible for *Housing's* day-to-day operations.

The organizational structure of NL Housing is as follows:



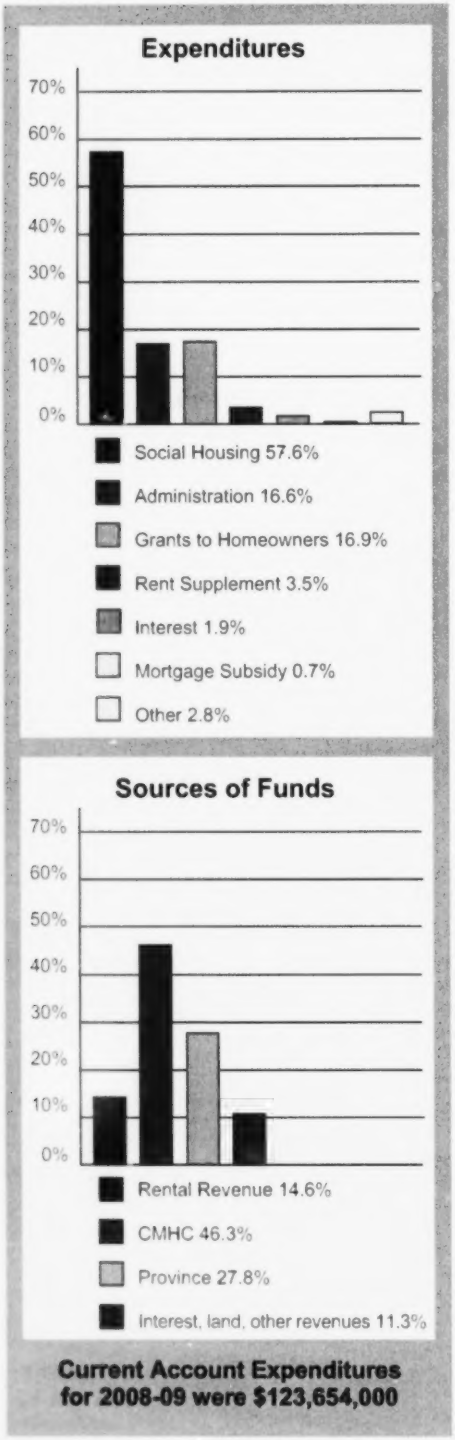
Housing has a total staff complement of 406 employees, of which 35% are female and 65% are male. Forty-nine are employed on seasonal basis. The distribution of staff across regional and head office operations is as follows:

Location	Staff Complement
Avalon Region	146
Burin Peninsula	12
Gander Region	13
Grand Falls-Windsor Region	28
Corner Brook Region	49
Stephenville Region	25
Labrador Region	16
Head Office	117
Total	406

The rural/urban breakdown of staffing is 143 employees (35%) rural and 263 employees (65%) urban. (For the purposes of this report, urban is defined as the St. John's CMA and all other areas of the province are considered rural.)

The majority of housing programs and services are administered and delivered through *Housing's* seven regional offices. These programs include public rental housing, the rent supplement and provincial home repair programs and tenant relations services. These programs account for 59% of the roughly sixteen thousand households assisted by *Housing* and its delivery partners.

The Program Delivery Department has province-wide responsibility for delivery and administration of such programs as Affordable Housing, Residential Energy Efficiency Program (REEP) and Community-Based Housing.



Current Account Expenditures for 2008-09 were $123,654,000

Households served – Social Housing Programs		15, 538
Rental Housing	5,507	
Community-Based Housing	4,653	
Home Repair	2,471	
Rent Supplement	1,186	
Residential Energy Efficiency	1,009	
Mortgage	373	
Affordable Housing	260	
Aboriginal Home Repair	79	
Units conditionally approved under the Affordable Housing Program		12
Units given final approval under the Affordable Housing Program		86
Value of Affordable Housing projects		$5.98 M
Applications approved under the Residential Energy Efficiency Program (REEP)		1,009
Funding for Community-Based Housing		$9.8 M
Grants approved under PHRP		2,471
Loans approved under PHRP		474
Value of grants and loans provided to homeowners under the Provincial Home Repair Program (PHRP)		$11.3 M
Number of mortgage and home repair loans on repayment		3,814
Value of loans		$15.1 M
Maintenance and repair expenditures on *Housing* rental units		$11.1 M
Modernization and Improvement expenditures on *Housing* rental units		$10.4 M
Tenant Associations		34
Community Centres (serving approximately 1,400 families and 5,600 individuals)		8

2.0 Shared Commitments

Housing continues to collaborate with a variety of key government partners, to ensure the best possible service and support is provided to those most in need throughout our Province. Through such partnerships government is able to maximize its resources to benefit many clients who require assistance with housing, health, education or other social needs. These partnerships also promote consultation with clients and stakeholders to continue to improve programs and services across government.

POVERTY REDUCTION

In 2006, the Province launched the Poverty Reduction Strategy with the ultimate goal of alleviating, preventing and reducing poverty in Newfoundland and Labrador. To address poverty the Province has adopted an integrated approach that engages community partners and government as a whole. The Poverty Reduction Team includes the following departments and agencies: Human Resources, Labour and Employment; Newfoundland Labrador Housing; Aboriginal Affairs; Education; the Status of Women; Finance; Health and Community Services; Innovation, Trade and Rural Development; Rural Secretariat and Justice.

As a member of government's Poverty Reduction Team, in 2008-09, *Housing* made progress with the following social housing initiatives to support government's Strategic Direction of poverty reduction.

Rent Reduction for Seniors and Wage Earners

Housing continued its new policy of calculating rent for seniors on fixed incomes from 30% of gross income to 25% of gross income. This resulted in 1,500 seniors living in *Housing* saving on average $42.00 per month or $500 per year per household.

L-R: Gladys Power and Sadie Williams

Wage earners living in *Housing* benefitted from a change in calculating rent from 25-30% of gross income to 25-30% of net income (gross income minus, CPP, EI and income tax deductions). This resulted in 1,300 working families living in *Housing* saving on average $50 per month or approximately $600 annually per household.

In 2008-09 *Housing* extended the same rental calculation changes to seniors living in community based housing projects. There are currently 900 community based households which will save on average $50 per month or $600 per year per qualifying household.

These initiatives enable seniors and working families to retain a greater portion of their income thereby helping to alleviate the negative affects of poverty.

Education Incentive Program

Education of our youth and young adults is a key factor is reducing poverty. A better educated population opens doors and access to employment opportunities that lead to self reliance. In 2008-09 *Housing* increased the monthly incentive to $50 for each dependent in a household attending junior high and high school and for every adult household member in full-time attendance at a post-secondary institution.

This has resulted in 811 individuals being assisted through this initiative in 2008-09. Approximately 80% were junior or high school students and 20% pursuing post-secondary education. The Department of Education provided information indicating that the percentage of high school students attending Levels 1, 2, and 3 and residing in *Housing* increased from 52% to 58.3% from 2007-08 to 2008-09. While this may seem like a small percentage increase it is a step in the right direction. The analysis will be expanded to determine the affect on junior high students. It is a little early to measure the impact on graduation rates.

Students of the Homework Haven Program at the Smallwood Crescent Community Centre, Marystown, receive congratulatory gift bags from NL Housing for winning academic achievement awards at their schools.

Affordable Housing

The Affordable Housing Program is a Federal/Provincial (F/P) 50/50 cost-shared initiative which provides new affordable rental housing for low-to-moderate income households. Capital assistance is provided to non-profit, private and government sector proponents through forgivable loan assistance. Funds are available through the Affordable Housing Agreements Phases 1 and 2 and the Housing Trust fund.

Affordable Housing Initiative (Private Sector), Bishop's Falls

In 2008-09, one hundred eighteen (118) new homes were constructed under the Affordable Housing Program. Eighty-two (82) of these homes were specifically built for seniors, 12 were constructed to be fully accessible for both seniors and persons with disabilities and the remainder were developed for families and non-elderly single persons.

Lilly Building Providing Housing and Opportunities for Youth: In 2008-09 a number of other projects were funded under the Affordable Housing Program which targeted special needs groups. One example was the Choices for Youth's Lilly Building Project which will fill a significant housing gap by combining safe, affordable housing units with on-site support, a basic literacy and math skill program, and an employment preparation program. The majority of funding came through the F/P agreements administered by *Housing*. The project which began in September 2008 received funding to offset construction costs, seed funding, programming and employment program costs. Since the renovation and construction began in September, 10 youth have been learning valuable construction skills as they work alongside contractors and trades people. These youth were referred through various programs and received safety and basic construction training.

The aim of the project is to break the cycle of recurring homelessness by removing lifestyle, housing, educational and employment barriers. Youth will be encouraged to learn the skills necessary to live independently and to secure opportunities to make healthier lifestyles more sustainable. Once completed, the Lilly Building will provide 14, one and two-bedroom apartments, along with programming and office space. One of the apartments will be completely wheelchair accessible.

Rent Supplement Program

Housing delivers a program which helps low-income families obtain suitable, affordable and adequate accommodation in private sector and non-profit rental housing. *Housing* and landlords have agreements whereby one or several apartments are set aside in properties owned by the landlord which are available for rent to low-income families that are referred by *Housing*. The agreement spells out the rental rate for each apartment which cannot be more than the market rent for the area. The tenant pays 25-30 percent of their monthly income towards the rent and *Housing* pays directly to the landlord a subsidy that covers the gap between the rental amount paid by the tenant and the negotiated market rent for the apartment.

This program is cost-shared between the Government of Newfoundland and Labrador and the Government of Canada. The program assists approximately 1,000 households annually. The province recognized the need to reduce the waiting list for housing and approved as additional $1M for 2008-09 bringing the budget for the program to $5.3M with the federal government contributing 73% and the province contributing 27%. In 2008-09 this resulted in another 186 low-income households being housed under the Rent Supplement Program and brings the total to 1,186. As well in 2008-09 the Canadian Mental Health Association and Stella Burry Community Services were assigned 78 rent supplement units to assist in providing housing to clients they serve in the community. Both groups are expecting to have these units filled in 2009. Since 1986 some 23,000 households have been assisted under this program.

PROVINCIAL HOUSING STRATEGY

The Government of Newfoundland and Labrador has committed to transform our province from one with the most poverty to one with the least over a ten-year period. Access to adequate affordable housing is an essential element to preventing, reducing and alleviating poverty.

It is widely acknowledged that housing directly affects the health outcomes of individuals and families, as well as their inability to access educational, employment and other services. For all of these reasons, government is committed to providing social housing assistance for those with the greatest need.

In 2008-09 work continued on the development of the strategic action priorities of the Social Housing Plan. These reflect the input provided by stakeholders and the social policy direction of other provincial strategies. The Social Housing Plan will be officially launched in 2009-10.

PROVINCIAL HEALTHY AGING

An art class at Smallwood Crescent Community Centre, Marystown

In light of the changing demographics and our aging population, the Government of Newfoundland and Labrador saw the need to develop a framework to promote healthy aging and a culture that respects older adults in our province. Research was undertaken and public consultations led to the Provincial Healthy Aging Policy Framework being released in 2007. To fulfil the policy directions and goals out lined in the framework, an Interdepartmental Working Group was established of which *Housing* is a member.

Many of *Housing's* programs and policies support healthy aging and strengthen our communities by providing a range of housing options. In 2008-09 the following initiatives resulted in improvements for low and moderate income seniors availing of programs and services:

Programs/Initiatives	Assistance to Seniors
Provincial Home Repair Program	$9.3 M spent to deliver 2,471 grants: 1,680 grants went to low-income seniors.
Affordable Housing Program	$5.98 M spent to construct 118 homes: 69% or 82 homes were constructed for seniors. A total of 12 homes are fully accessible for seniors or persons with disabilities.
Public Rental Housing Program	5,087 households: 30% are seniors.
Rent Supplement Program	1,186 subsidized private rental units: 73% house seniors.
Residential Energy Efficiency Program	1,009 approved applications. 79% of applicants are over the age of 55. Average age of households is 64 years.
Rent Reduction for tenants living in *Housing* subsidized units	Rental scale reduction for 1,500 senior tenants resulted in an average monthly rental rate reduction of $42.00.
Rent Reduction for tenants living in Community Based Housing	Rental scale reduction for 900 senior tenants resulted in an average monthly rental rate reduction of $50.00.

GOVERNMENTAL PARTNERSHIPS

Housing and its community partners serve clients who are also provided supports and services by other government departments and agencies. To better coordinate the delivery of housing and other complementary services, *Housing* participated in the following advisory and interdepartmental committees during 2008-09:

Interdepartmental Steering Committee – Long-Term Care & Community Support Services (LTC-CSS): The mandate of the committee is to provide input on reform of the LTC-CSS system and ensure collaboration on changes to services for shared clients.

Interdepartmental Advisory Committee on Services for Individuals with Complex Needs: The mandate of this committee is to provide guidance for the development of supportive living options and models for clients who have a significant risk of homelessness and who require access to multiple service systems and programs.

Interdepartmental Working Group – Non-Profit and Volunteer Sector: The working group's mandate is to undertake a review of government policy and practice in funding the work of the voluntary, non-profit sector and to make recommendations to enhance support for the sector consistent with government objectives and priorities.

Violence Prevention Initiative: *Housing* continues to be a partner in the Violence Prevention Initiative which was established in 2000. Statistics show that women, children, seniors and persons with disabilities are among those most targeted when it comes to violence. Violence towards women tends to be more severe and frequent, resulting in greater physical and psychological injuries. In fulfilling its mandate, *Housing* has assisted numerous victims of family violence throughout the years by giving priority for housing to those who must flee violent family situations. On average per year *Housing* gives priority to120 families who need housing to escape from violent relationships.

3.0 Highlights and Accomplishments

PUBLIC RENTAL HOUSING MODERNIZATION

Construction of public rental housing in Newfoundland and Labrador began in 1949 which means that some of the housing stock is now 60 years old. Currently *Housing* has 5,507 homes available for rent to low-income households. There are another 146 units which are being used by neighbourhood/tenant associations, community service groups, government departments or agencies or as community centres, office/storage space or have been damaged beyond repair or designated for sale.

In 2008-09, *Housing* spent $10.4 M to upgrade building envelopes and interiors, address visibility and security issues and redevelop and revitalize housing neighbourhoods. Work was scheduled on 110 projects affecting 474 units and 211 oil tanks. Work included replacement of windows, siding, doors, roofs, kitchen and bath upgrading, electrical upgrades, exhaust fan installation, foundation, retaining wall and driveway repairs. Work was also undertaken in oil tank replacement and certification, mould and asbestos remediation, furnace conversions and accessibility modifications. During 2008-09, redevelopment and upgrading began in a number of the higher density neighbourhoods off Empire Avenue and in the Cashin/Froude Avenue areas of St. John's, as well as Dunfield Park in Corner Brook and in Perrault Place in Happy Valley-Goose Bay.

Salter Place modernization

The effects of our neighbourhood revitalization program can be seen in the response received from both tenants and the towns where our projects are located. One such example is Perrault Place in Happy Valley-Goose Bay, Labrador where 24 units were upgraded and through redevelopment, major site improvements were made. This resulted in a noticeable improvement so much so that the Mayor of Happy Valley-Goose Bay wrote a letter recognizing the project and thanking *Housing* for making changes and revitalizing the area with a much needed new look.

Renovation of social housing homes will deal with issues around energy efficiency and environmental concerns and should result in lower maintenance costs. Revitalization of larger density neighbourhoods will improve the quality of life for families and the aesthetic look of *Housing* developments. The modernization program will improve the living conditions of current tenants and address the demand for housing from smaller families.

In addition to the major modernization and redevelopment being undertaken, *Housing* spent $11.1 M on general maintenance of public rental property. Maintenance funding is needed to correct everyday problems which arise in any home, such as plumbing, appliance repair and other repairs of a minor nature.

Improving the physical condition of the public housing portfolio directly supports government's Strategic Direction of housing, which seeks an outcome of sustainable social housing for households with the greatest need.

PROVINCIAL HOME REPAIR PROGRAM

Housing delivers a program called the Provincial Home Repair Program (PHRP) which provides home repair assistance to low-income families. Financial assistance is provided on a wait list basis to repair windows, doors, siding, foundations, wells and roofs. Funding is available to undertake emergency repairs for items such as electrical, heating, septic systems and any repairs deemed to be of an emergency or life safety nature. PHRP also covers the cost of home modifications to allow seniors or persons with health disabilities to remain in or return to their homes. There is no wait list for the emergency or disability renovations.

In 2008-09 $9.3M was spent to deliver 2,471 grants under PHRP of which 1,680 went to low-income seniors. In addition another 474 repayable loans worth almost $2M were provided to assist with home repairs.

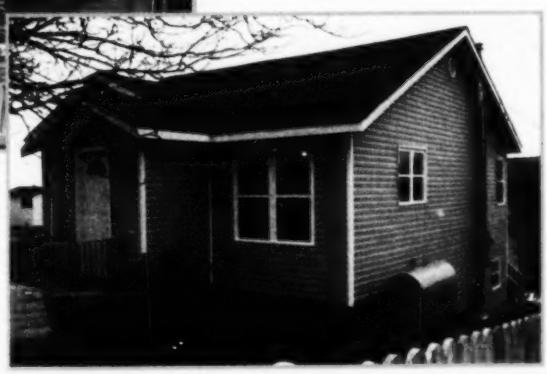
PHRP 2008/09 Delivery

Program	Forgivable		Repayable	
	Funding	# of Grants	Funding	# of Loans
Emergency	$1,993,000	671	$ 465,793	156
Disabled	1,430,000	285	237,790	47
Regular	5,913,700	1515	1,225,079	271
Total	**$9,336,700**	**2471**	**$1,928,662**	**474**

The majority of homeowners hired local contractors and skilled trades people to complete the work and about half of the funding provided under PHRP went to local building suppliers to purchase building materials. Since 1976 over 47,000 households have been assisted under the Home Repair Programs. The wait list for PHRP at the end of March 2009 was 1,772, a substantial decrease from the year before when the wait list stood at 3,696.

Before

PHRP Home



After

RENTAL REHABILITATION PROGRAMS

Under PHRP there are three programs available to owners, entrepreneurs, non-profit groups and First Nations to repair and rehabilitate properties that are rented to low-to-moderate income households who require affordable and safe housing.

The Rental/Rooming House program specifically targets the repair and upgrading of substandard self-contained rental units. In 2008-09, repairs to 197 units valued at $1.23M were funded for families, seniors, disabled persons and non-elderly singles.

The Conversion RRAP targets the conversion of non-residential property into units to create affordable housing. In 2008-09, $164,000 was approved for the Choices for Youth Lilly Building Project which will see 14 units completed to house youth at risk.

The Shelter Enhancement program specifically targets the repair and improvement of shelters for victims of family violence and also supports the development of new shelters and second stage housing. In 2008-09, funding of $117,000 provided secure, safe shelter and transitional housing for victims of family violence.

RESIDENTIAL ENERGY EFFICIENCY PROGRAM

The development of energy efficiency and conservation programs that provide cost savings to residents and preserve the environment was a key commitment in the province's Energy Plan. The Residential Energy Efficiency Program (REEP) is a two-year provincial initiative funded through the Department of Natural Resources and being delivered through *Housing*. REEP is designed to assist low-income households in Newfoundland and Labrador in making energy efficient retrofits to their homes. These retrofits will reduce energy costs, make housing more affordable and reduce greenhouse gas emissions that contribute to climate change. Improving energy efficiency of homes can save significant money on monthly heating bills and keep homes warm and comfortable.

REEP was available to low-income homeowners who use either home heating fuel or electricity to heat their homes. This program pays for pre and post inspections and grants are available up to a maximum of $3,000 per house on the island and $4,000 in Labrador to undertake improvements. In 2008-09, a total of 2,138 applications were received and 1,009 were approved to undertake energy upgrades under REEP. Seventy-nine per cent of applicants approved are over the age of 55 years. The average income of those assisted is $19,676.

FEDERAL/PROVINCIAL/TERRITORIAL (F/P/T) HOUSING FORUM SECRETARIAT

The mandate of the F/P/T Housing Forum Secretariat is to provide an opportunity for all provinces and territories to work with the federal government to ensure that housing issues are identified and information shared among all jurisdictions.

The secretariat is co-chaired by Canada Mortgage and Housing Corporation (CMHC) and one of the provinces or territories (P/T's) on a rotational basis. It is the responsibility of the P/T chair to work with the federal government to arrange an annual F/P/T meeting of ministers' responsible for housing. On February 6, 2008, Newfoundland Labrador Housing took over as P/T Chair from British Columbia. Since that time *Housing* has worked diligently to arrange meetings and teleconferences to discuss a number of important and significant housing issues.

While *Housing* has been the co-chair of the secretariat the F/P/T agreements related to RRAP and Affordable Housing have been renewed. A number of new initiatives were adopted with work starting on the F/P/T Working Group on the Existing Social Housing Stock and the preparation of the document for the Council of the Federation of Premiers called "Housing: Leading Best Practices by Provincial and Territorial Government in Canada". As well, a housing forum with the P/T Ministers and stakeholders was held in October 2008.

Preparation is underway for an upcoming F/P/T Housing Ministers' Conference scheduled for St. John's on August 19-20th, 2009 after which *Housing* will transfer the responsibility of chair to Alberta.

Affordable Housing Initiative Evaluation: The Affordable Housing Initiative (AHI) is cost-shared between the Federal and Provincial/Territorial Governments. Under AHI capital assistance is provided to non-profit, private and government sector proponents to assist with the creation of new affordable rental housing for low-to-moderate income households through forgivable loan assistance. The province and the federal governments in May 2003 and November 2005 respectively entered into the AHI agreement Phase 1 valued at $30.28M and Phase 2 valued at $10.62M. In 2008/09 *Housing* was asked to participate in the evaluation of these agreements which is expected to be completed by the summer of 2009.

OFF-RESERVE ABORIGINAL HOUSING

Off-Reserve Aboriginal people live in areas throughout Labrador as well as the various locations on the island portion of the province. There are a number of housing programs that are available to all Off-Reserve Aboriginal people, including social housing programs, and the Provincial Home Repair Program.

In 2006, the Off-Reserve Aboriginal Housing Trust was established and wholly funded as part of the federal government's constitutional responsibility for aboriginal people of Canada. Newfoundland and Labrador received $8.2M of this federal funding and has worked with Aboriginal groups to identify priorities for expenditure of these funds.

Of this $8.2M funding, $2M was provided to the Nunatsiavut Government in September 2008 for housing needs in the communities of Nain, Hopedale, Makkovik, Postville and Rigolet. Another $2.5M has been allocated to three Aboriginal organizations across the province for the Off-Reserve Aboriginal Housing Home Repair Program. This year 400 applications were received with 73 of these approved. *Housing* has agreed to deliver the housing repair program to other Aboriginal households and in 2008-09 approved repair funding for a further six households. The remaining $3.5M Housing Trust funding will be allocated following discussion with the Aboriginal organizations on priority housing initiatives.

RESEARCH INITIATIVES

Housing as part of its commitment to improve client service and to make programs more adaptive to changing demographics and the needs of tenants undertook in 2008-09 a number of surveys to obtain client feedback. As well as a partner with the Federal Government in funding housing programs, *Housing* participated in the evaluation of a number of housing agreements.

Housing Renovation Program Evaluation: In December 2003, the Federal and Provincial Governments signed a Housing Renovation Program Agreement which is currently delivered in Newfoundland and Labrador as the Provincial Home Repair Program (PHRP). The objective of PHRP is to improve the housing conditions of low-income households by providing assistance with housing repair, renovation and rehabilitation of rental property. In 2008-09, *Housing* undertook an evaluation of PHRP which examined whether program objectives were met, reviewed program effectiveness and efficiency, examined the resulting program impacts and looked at the continuing rationale for the program.

The evaluation concluded that PHRP has been one of the most successful Federal/Provincial programs implemented in Newfoundland and Labrador ensuring that low-income homeowners are able to maintain and continue to reside in their homes. PHRP also provided assistance to develop shelter, second stage and permanent housing for high risk groups.

Rent Supplement Client Survey: *Housing's* Rent Supplement Program helps low-income households obtain suitable and affordable rental housing by paying a portion of the clients' rent in private rental accommodations. In January 2009 *Housing* undertook a survey of a sample of clients served under the program to determine program effectiveness, to obtain client feedback and to find out what clients thought of the program. A random sample of 300 rent supplement clients was selected and 202 completed questionnaires were returned for analysis. This represents a response rate of 67.3%.

Survey Highlights

Respondents Indicated Satisfaction with:	
Accommodations	85% Satisfied
Maintenance	85% Satisfied
Condition of Home	87% Satisfied
Landlord	82% Satisfied

There were some issues raised around better maintenance of some private accommodations and the need for upgrading and modernization of apartment units. Some respondents also felt the need for smoke free buildings. The overall response to the Rent Supplement Survey was positive in terms of the need and appreciation for the program and the service provided by *Housing* staff.

Public Rental Housing Client Survey: In late January 2009 *Housing* undertook a survey of a sample of clients served under the Public Rental Housing Program to ask about a number of new maintenance initiatives, satisfaction with the enhanced modernization efforts and to obtain client feedback and to find out what clients thought of the services provided. A random sample of 1,000 clients living in public rental accommodations was selected and 380 completed questionnaires were returned for analysis. This represents a response rate of 38%. The report on the findings of this survey will not be available until late in the summer of 2009.

Atlantic Seniors Housing Research Alliance: *Housing* has contributed and been a member of the Atlantic Seniors Research Alliance (ASHRA) for the past number of years. ASHRA has been dedicated to undertaking key research around issues facing seniors towards building a detailed picture of housing and support needs of aging Atlantic Canadians. The research focused on living arrangement needs over the next 20 years, examined emerging options in housing choices, needed support services and reviewed policies affecting seniors and aging in place. Work continued in 2008-09 and will culminate in May 2009 with a conference being held in Halifax, Nova Scotia. The conference will combine discussions of the ASHRA research results with presentations of national and international seniors housing initiatives and the newest technologies to promote aging in place.

CONFERENCES

Annual Tenant Conference: On September 13th and 14th 2008 representatives from *Housing*, from community centres and tenant's from *Housing's* non-profit community gathered at the Hotel Gander for the 23rd Annual Tenant Conference. *Housing's* Board of Directors were in Gander for their 198th board meeting and joined the conference after the meetings concluded. The Minister Responsible for *Housing* welcomed the delegates which included 30 of the tenant groups representing 3,000 families who were presented plaques in recognition of the outstanding contribution that they make to their communities.

Myrtle Mitchell and Elaine Swyers, Eric McKay Tenant Association

The conference also marked a very important milestone, 25 years of tenant relations programming which has been key in enhancing community relations and providing support to tenants. The conference provided a number of very informative motivational and educational workshops and a presentation on energy efficiency. As well the winners of *Housing's* Tidy Neighbourhoods contest were announced for the Avalon, Central and Burin regions. The conference concluded with a banquet.

Community-Based Housing Conference: *Housing's* annual Community-Based Housing Conference was held the weekend of October 3-4, 2008 at the Airport Comfort Inn in St. John's. The conference included staff from *Housing* and 82 delegates representing groups from all across the province. Community-Based Housing projects are run mainly by volunteer Boards of Directors who do an amazing job of running these housing projects which provide much needed affordable housing within our province.

The annual Community-Based Housing Conference continues to be an excellent forum where delegates can exchange ideas relating to board development and the operation of projects. The conference included a number of information-sharing sessions on volunteering, communication, what to know when hiring a contractor, contractor safety and time management. The conference concluded with a dinner and entertainment.

COMMUNITY SPIRIT ALIVE AND WELL IN HOUSING NEIGHBOURHOODS

The staff and volunteers of the community centres and the tenant association have been vital to ensuring that tenants living in public rental housing areas have access to facilities and services that promote community spirit and a sense of neighbourhood pride. This year we decided to highlight a few of the great things happening in *Housing* neighbourhoods.

Buckmaster's Circle Community Centre — St. John's: On September 7, 2008, Buckmaster's Circle Community Centre celebrated its 15th anniversary. This community centre has become a haven for many families who live in public housing at Buckmater's Circle. When opened in 1993 the mandate was to provide social, educational, recreational, health and employment programs. The success of the centre can be seen through the change in reputation that the area had from decades ago. The community centre, the Boys and Girls Club and the Recreation Centre have helped turn that reputation around. Families living in Buckmaster's Circle have taken control of their neighbourhood and are volunteering to make life better in the area. In 2008, the City of St. John's approved more than $675,000 to build a playground in the heart of Buckmaster's Circle. The project will be cost-shared between the city, the province and with the Rotary Club of St. John's Northwest donating $50,000.

Buckmaster's Circle Community Centre

Smallwood Crescent Community Centre — Marystown: In June 2008, the Smallwood Crescent Community Centre in Marystown officially opened its new Community Kitchen offering programs which allow individuals of all ages to get together to share recipes and prepare meals.

Ribbon-cutting ceremony during official opening of the 'Smallwood Crescent Kitchen' in Marystown.

The Community Kitchen encourages participation by everyone, regardless of their cooking skills and already the number of participants in the adult and children's programs shows the success of the project. The Community Kitchen is funded by Service Canada and *Housing*. A ribbon cutting ceremony and a scoff consisting of local dishes of fish cakes, pea soup, moose soup, corn beef cakes, baked beans and toutons was held to celebrate the opening of the Community Kitchen.

Dunfield Park Community Centre – Corner Brook: In 1991 a community centre was established to serve the approximately 650 tenants living in *Housing's* Dunfield Park area of Corner Brook which has 196 homes for low-income families. The mandate was to provide supports to foster and promote the health and well-being of the people living in the neighbourhood.

In 2008-09 *Housing* provided $500,000 in funding to give the Dunfield Park Community Centre a face-lift and to expand its space by another 2,200 square feet. The renovation on the existing centre began in December 2008 and is being undertaken by *Housing's* maintenance staff. The design work and plan for the expansion have been completed and a tender will be issued in 2009 to complete the foundation work needed to make the centre larger. *Housing* staff will then undertake the remaining expansion work which is anticipated to be completed by the spring of 2010. This expansion and renovation will enable the Dunfield Park Community Centre to provide more educational and recreational programming and services to a greater number of people living in the neighbourhood.

Labrador West Enhancing Neighbourhoods Project: In 2008-09 *Housing* became an important partner in an exciting initiative spear-headed by the Labrador West Status of Women. The Enhancing Neighbourhoods Project was a ten week project to enhance and strengthen the connections between the residents on Cavendish Crescent to services and service providers in Labrador City. A group of residents and the Project Coordinator for Enhancing Neighbourhoods came together to look at ways to improve the Cavendish Crescent neighbourhood. An important part of this initiative is to build upon the capacity which already exists within the neighbourhood and provide an opportunity for tenants to feel more connected to their community.

SERVING CLIENTS BETTER

***Housing* Computer System Replacement:** In recognition that vendor support for *Housing's* aging computer systems was ending, the organization began a major undertaking to replace its computer hardware and software in 2005. On April 1, 2008, *Housing* went live with three new systems Anite Housing (rental, repairs and application management) TOTAL (including financial and work order management) and the PARIS Cash System. Also in 2008-09, work began on replacement of the corporate loan and payroll/human resource management information systems.

Reducing Red Tape: The Government of Newfoundland and Labrador set out three years ago with an ambitious goal to reduce regulatory requirements by one quarter by the end of March 2009. Government surpassed its goal of 25% with an overall reduction of 27%. *Housing* is pleased to report that as of March 31, 2009 it exceeded the goal by reaching 36.5% of the targeted reduction established by government.

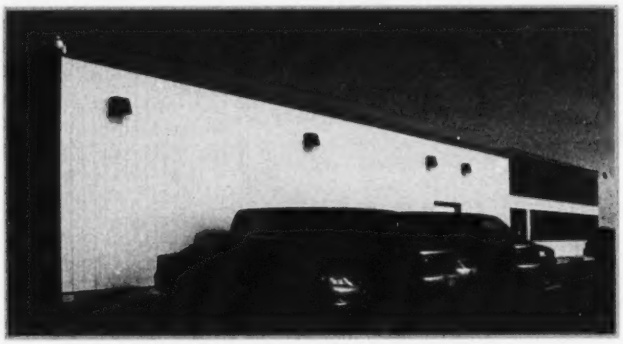
Tenants' Bill of Rights: In an effort to ensure tenants are fully aware of their rights and are completely comfortable bringing to *Housing's* attention any issues they may need to discuss, a Tenants' Bill of Rights has been developed, the first of its kind in Canada. The Bill of Rights was compiled in conjunction with the Office of the Citizens' Representative and is a permanent and visible statement of *Housing's* commitment to its tenants. The Tenant's Bill of Rights affirms that:

As a client of *Housing*:

You Have The Right to contact any office of *Housing* to discuss your concerns;
You Have The Right to respectful service from our organization;
You Have The Right to quiet enjoyment of your property;
You Have The Right to receive accurate notice of eviction pursuant to the Residential Tenancies Act;
You Have The Right to appeal to *Housing* and the Residential Tenancies Board regarding landlord and tenant matters;
You Have The Right, after exhausting appeals, to complain to the Office of the Citizens' Representative regarding decisions taken against you that you think are unfair or contrary to law;
You Have The Right to privacy of personal information held by *Housing* in accordance with applicable laws.

Avalon Regional Office New Maintenance Centre: To consolidate the operations and activities of maintenance within the Avalon Regional Office and to provide better coordinated service to tenants, staff relocated from Blackmarsh Road and Head Office to the newly constructed maintenance building on March 30, 2009.

The new building is located on Baie Verte Street, on the same property as the Head Office of *Housing*. The new building contains a warehouse, stockroom, carpentry shop, office space, lunchroom and parking for the maintenance vehicles. A contest to name the new maintenance building was held among staff and the building is expected to be named later in 2009.



Avalon Regional Office Maintenance Building

Maintenance Improved on the North Coast of Labrador: In June 2008 to improve maintenance service for tenants living on the North Coast of Labrador, *Housing* hired a new maintenance worker living in Nain to carry out maintenance on rental properties along the coast. In the past *Housing* relied on contractors to carry out maintenance work and it was a difficult task to find qualified people to make repairs in remote communities. Having a permanent maintenance worker located in Nain has gone a long ways towards improving customer service to our tenants living on the Coast of Labrador.

Housing staff taking first aid training.

Human Resource Management, Staff Development and Succession Planning: Staffing activity during 2008-09 involved the recruitment of 72 candidates to fill vacant positions. Thirty-three were external hires and 39 were internal appointees. Through the Open Doors Program which is a Provincial Government program for persons with disabilities, *Housing* hired a Policy and Procedures Coordinator as part of the Quality Assurance and Evaluation team on a one-year contract. Also in 2008-09 *Housing* hired 12 apprentices in the electrical, plumbing and carpentry trades. One apprentice completed training and training for the other 11 apprentices is ongoing.

Housing's 406 employees took part in 89 training courses, workshops and seminars to improve skills, service and safety awareness. Courses were offered related to the upgrade of *Housing's* computer systems, environmental awareness, first aid training, fall prevention, project management, scaffolding safety training, kitchen and bath renovations and a variety of other areas to improve skill levels and service. Staff also attended a number of conferences and professional development days to access information on drug awareness, issues around persons with complex needs and occupational health and safety.

HELPING OTHERS

The employees of *Housing* consider their jobs more than just work. Over the years many have found time to volunteer and help others be it a fellow employee who needed support in a time of great need or to provide extra support to those who they serve as clients on a daily basis. *Housing* employees have been giving to others for many years and this year we felt that we would highlight some of the volunteer work and activities undertaken by our staff.

Volunteering with Children's Wish Foundation of Canada: *Housing* employees were more than happy to assist the Children's Wish Foundation of Canada in making a wish come true for two disabled children who needed a new main floor bedroom to accommodate their needs and improve their lives. The project proved to be a more difficult wish to grant because the only space available in the family home was in the downstairs garage and the scope of the construction needed made it difficult to stay within the budget allocated for this type of wish.

L-R: Gary Walsh, Dennis Kendall, and Frank Corbett with Noah, Cameron and Ryan in the new room.

The Wish Foundation contacted *Housing* employees who eagerly agreed to assist with the work to make the children's wish come true. *Housing* donated three days of two employee's time and the remainder of the work was completed after working hours and on weekends. It took two full weeks to complete their portion of the renovations, with the result being a fantastic room that could accommodate all the children's needs including a shower stall that was

wheelchair accessible. The family was extremely thankful and the Wish Foundation sent their sincere thanks to the employees for making a bedroom renovation wish a reality. In 2008, the Children's Wish Foundation of Canada granted 37 wishes and was working on another 26 wishes.

Employees Reaching Out to Others: A number of years ago, employees at *Housing's* Head Office began to see a growing need for additional assistance amongst the tenants they served especially during times like Christmas when families need a little extra to make it a happy time. Employees at *Housing's* Head Office decided to form a committee, the Employees Reaching Out (ERO) to assist tenants and their families in times of hardship or need. Employees started by holding fund raisers such as a lunchtime burger day and Christmas pot luck where employees would each make a dish and then pay to eat the food they prepared. Donations from Jeans Day and ticket sales on various items are also undertaken throughout the year to raise funds. Employees were also asked to contribute food and gift items for hampers which would be distributed to needy families at Christmas time. Christmas 2008 saw 11 families and 2 seniors served through the hamper drive. The ERO also makes donations to the tenant children's Christmas parties, the Seniors Resource Centre and provides funds to buy household supplies for tenants in need.

Staff in the Goose Bay Office also decided to bring a little more joy over Christmas 2008 to the children living in the Upper Lake Melville area by delivering 65 loot bags to the children of tenants.

L-R: Amy Lyall and Jeff Curl, Goose Bay

Cabot Habitat for Humanity: Around the world over one billion people live in the streets or in poverty housing. In Canada, approximately 1.7 million families live without adequate or affordable housing. Cabot Habitat for Humanity believes in a "world where everyone has a safe and decent place to live" and tries to break the cycle of poverty by mobilizing volunteers and community partners to build affordable housing and promote homeownership. *Housing* is in a unique position when it comes to offering a helping hand with employees who together have the skills to build a home from the ground up. There are plumbers, electricians, carpenters, plasters, painters and enough people to provide additional volunteer labour.

Over the years *Housing* has donated land for 6 homes and in 2008-09 donated land for a Habitat Home which will be constructed on Forsey Place in Mount Pearl and also gave $60,000 of Housing Trust Funding for one of the two homes built. The City of St. John's donated a piece of land in 2008-09 on Eaststaff Street in St. John's and the goal is to have a fully accessible home entirely built by *Housing* employees. The call for *Housing* volunteers went out in early 2009 and to date 50 employees have come forward for the build which is expected to commence in the summer of 2009. *Housing* is proud to be associated with Cabot Habitat through the building of a home for a disabled single mom. *Housing* has been a partner with Cabot Habitat for Humanity since 1994 and of the 25 families who received homes through Habitat, 18 were tenants of *Housing*.

***Housing's* Scholarship Program:** For some *Housing* tenants in the province, pursuing an education is paying off. Each year, *Housing* awards scholarships to high school graduates and adults pursuing post-secondary education. The scholarships are awarded in the Avalon/East, Central and Western/ Labrador regions to tenants' children and adult tenants returning to school. Each scholarship is valued at $1,000. Youth scholarships are awarded based on the results of the Department of Education's scholarship score, which is derived from a student's performance on public examinations. Winners of the adult scholarships are selected based on an interview that assesses initiative, need and community experience. The 2008-09 scholarship winners* are:

Youth Winners – Tenants' Children
Ashley Goobie, Avalon/Eastern
Amanda Nora McLellan, Central
Myles Warford, Central
Travis Hardy, Western/Labrador
Myron Baggs, Western/Labrador

Adult Winners
Lisa Baker-Coveyduck, Avalon/Eastern
Kerri-Ann Snook, Central
Juanita Felix, Western/Labrador

*Scholarship winners' names are published with their consent.

ISSUE ONE: IMPROVE THE PHYSICAL CONDITION OF THE PUBLIC HOUSING PORTFOLIO

Newfoundland and Labrador has some of the oldest public housing in Canada. Construction began in 1949, and at that time, homes were built to house larger families. Almost 80% of the rental housing portfolio are homes with three or more bedrooms. Our population has changed and now the majority of our housed tenants and applicants are smaller families who require only one or two bedroom homes. Seventy percent of public housing tenants are either single occupants or are single parent families. Almost 85% of applicants for social housing are single parents, single individuals and seniors.

Housing targeted funding to upgrade building envelopes and interiors, address visibility and security issues and redevelop and revitalize targeted housing neighbourhoods. This will improve the living conditions of current tenants and address the demand for housing among smaller families who require smaller homes. In 2007-2008, the Province provided increased funding of $27.5M over a 5 year period for accelerated modernization of public housing. In 2008-09, the Province approved an additional $2M per year for 5 years to undertake interior repairs to public housing and gave one time approval of $2M to address mold and mildew issues. Renovation of social housing homes deals with issues around energy efficiency and environmental concerns. An ongoing benefit of upgrading the public housing portfolio is lower annual maintenance costs in the homes that have been upgraded.

Improving the physical condition of the public housing portfolio directly supports government's Strategic Direction of housing, which seeks an outcome of sustainable social housing for households with the greatest need.

Goal One: By 2011, *Housing* will have improved the condition of the existing public rental housing.

Objective 2009: *Housing* has upgraded public housing homes and commenced with redevelopment plans in at least one high density neighbourhood.

Measures: Upgraded public housing homes.
Commencement of redevelopment plan.

Indicators	Accomplishments 2008-09
Number of homes upgraded	During 2008-09 *Housing* completed upgrading work on 444 public housing homes throughout the province. Work commenced on another 30 homes which will be completed in 2009-10. These renovations included building envelope upgrades (doors, windows, siding, roofs, etc.) and work such as electrical upgrades, foundation repairs, furnace conversions and accessibility modifications. Specifications were prepared for a total of 110 upgrading projects. *Housing's* seasonal workforce is divided into several crews specializing in upgrading projects such as door, window and siding replacement and roofing. The seasonal crews completed 17 upgrading projects with the remainder completed by external contractors. Oil tank replacement and certification was also undertaken for 211 public housing homes in the province. This work was needed to comply with pending provincial regulation. In 2008-09, the Province approved an additional $2 M per year for 5 years to undertake interior repairs to public housing. Bathroom and/or kitchen renovations were completed on 157 homes province wide. The bathrooms and kitchens in these homes were the same as originally built, many of which were constructed 40 or more years ago. In addition to improving the physical condition of public housing, these upgrades enhance the living conditions of public housing tenants by providing modern services and facilities.
Completion of neighbourhood improvements	In 2008-09, redevelopment commenced in four higher density public housing neighbourhoods in the province, Cashin/Froude Avenue and Empire Avenue (Rabbitown) areas of St. John's, Dunfield Park in Corner Brook and Perrault Place in Happy Valley-Goose Bay. These projects will include exterior and interior building upgrades, address visibility and security issues and generally revitalize housing neighbourhoods. Due to the significant work involved, it will take several years to complete each of these projects. Therefore, none of the neighbourhood improvements were fully completed during 2008-09. Neighbourhood redevelopment during 2008-09 resulted in the upgrading of 24 units on Perrault Place, 18 units on Alder Place and Gorse Court in Dunfield Park, 4 units on Graves Street in the Empire Avenue area and 8 units on Vimy Avenue in the Cashin/ Froude Avenue area. Upgrading public housing units is the first phase of the neighbourhood improvements. Additional work such as enhancement to access routes, parking areas and landscaping can take place after the building renovations are completed. Community response to these revitalization projects has been positive with both the public housing tenants and the surrounding neighbourhoods benefiting from the enhanced public housing areas.

ISSUE TWO: PARTNER WITH PRIVATE AND NON-PROFIT GROUPS TO CONSTRUCT NEW RENTAL ACCOMMODATION FOR LOW AND MODERATE INCOME HOUSEHOLDS.

Over the last 30 years, Newfoundland and Labrador has aged faster than any other province in the country. Within 10 years, 10% of our population will be over the age of 65 years and 45% will be over the age of 50. *Housing* recognized that the Affordable Housing Program offered the greatest opportunity to increase the number of homes available to seniors, persons with disabilities and clients with special needs. By working with private sector and community-based groups, new accommodation was constructed under the Affordable Housing and Housing Trust Programs for low and moderate income households.

Providing increased access to affordable rental accommodations in the province supports government's Strategic Direction of poverty reduction.

Goal Two: By 2011, *Housing* will have increased the supply of new rental accommodation under the Affordable Housing and Housing Trust Programs.

Objective 2009: *Housing* has increased the number of new rental accommodations constructed under the Affordable Housing and Housing Trust Programs.

Measure: Increase in the number of new rental accommodations constructed.

Indicators	Accomplishments 2008-09
Number of new rental accommodations constructed	During 2008-09, 118 new rental units funded under the Affordable Housing Program were completed. As a result of this construction, new affordable rental housing is available in the communities of Happy Valley-Goose Bay, Stephenville, Bishops Falls, Grand Falls-Windsor, Burin, Placentia, Conception Bay South, Paradise and St. John's. A total of 268 new units have been constructed/converted by private and non-profit groups since 2006 under the Affordable Housing Program.
Number of rental accommodations occupied by families, seniors, disabled and clients with special needs.	Under the Affordable Housing Program, 118 new rental units were constructed during 2008-09. Of these, 82 or 69% were made available to seniors, 17% or 20 were available to non-elderly single clients and 16 or 14% were available for families. Twelve units or 11% of the total units constructed are designed for persons with disabilities and clients with special needs.

ISSUE THREE: ASSIST LOW INCOME HOUSEHOLDS LIVING IN PRIVATE HOUSING

In 2003, the Government of Newfoundland and Labrador announced a blueprint to guide the province on a journey of self-reliance. In April, 2007, the Government of Newfoundland and Labrador tabled its budget for the province calling it "a budget of vision and action" and indicating that one of the means to promote self-reliance was through investment in housing programs.

Housing, in partnership with the Government of Canada, delivers the Provincial Home Repair Program (PHRP) which provides home repair assistance to low income families who own their own homes mainly in rural Newfoundland and Labrador, a significant number who are seniors. Funding is available on a priority basis to address repairs which are considered an emergency or are life safety in nature and covers home modifications to allow seniors and persons with disabilities to remain in or return to their homes. Financial assistance is provided to undertake home repair to address problems associated with the building envelope. Applicants for this program are placed on a waiting list.

The Federal component of the PHRP was scheduled to expire on March 31, 2009. The Federal Government committed to extend the agreement in September 2008. One of the initiatives to promote self-reliance through investment in housing programs was the enhancement of the PHRP by the Province. *Housing* received a commitment from the Province for an additional $4M per year beginning on April 1, 2007, for the next six years. The additional funding will help to address the wait list for repairs and improve the housing conditions of low income clients assisted under the PHRP.

Housing, in partnership with the Government of Canada delivers the Rent Supplement Program (RSP) which targets low income households by paying a portion of their rent for private rental accommodations. The tenant's rental payment to the landlord is between 25 to 30 percent of their income with the remaining portion of the rent paid directly to the landlord by *Housing* by written agreement. The RSP subsidizes mainly one and two-bedroom apartments primarily in urban parts of the province and serves to reduce *Housing*'s wait list; $1M per year provides 250 rent supplements for seniors and persons with special needs.

The assistance provided under both the Provincial Home Repair Program and the Rent Supplement Program are important parts of *Housing's* support for government's Strategic Direction of poverty reduction.

Goal Three: By 2011, *Housing* will have improved the condition of privately owned homes of low income families assisted through the PHRP and increased the number of clients housed under the RSP.

Objective 2009: *Housing* has increased the number of grants provided to low-income homeowners under the PHRP and increased the number of clients housed under the RSP.

Measures:
Increased the number of grants provided under the PHRP.
Increased the number of clients housed under the RSP.
Reduced the wait lists.

Indicators	Accomplishments 2008-09
Number of grants provided to households assisted under the PHRP	During 2008-09, 2,471 grants were provided to low income households under the Provincial Home Repair Program. These grants were valued at $9.3 M and enabled homeowners to undertake emergency and life safety repairs (such as electrical, heating and septic system) as well as repairs to windows, doors, siding, foundations, wells and roofs. Home modifications to allow seniors or persons with health disabilities to remain in or return to their homes are also covered. In addition to the grants provided under this program, 474 loans totalling $1.9 M were also provided. During the years 2002-03 to 2006-07, an average of 1,891 grants per year were issued under the Provincial Home Repair Program. A commitment from the Province for an additional $4 M per year for six years beginning on April 1, 2007 has enabled *Housing* to increase the number of households served by approximately 600 per year.
Number of target groups assisted under the PHRP	The Provincial Home Repair Program provides assistance to a number of target groups within the low-income families served under the program. In 2008-09, 285 grants were provided to households under the disabled component of the program. These grants enabled a household member with a health disability to remain in or return to their homes. A total of 2,471 grants were provided under the PHRP during the year. Among the other specific target groups assisted were seniors (1,841), income support clients (316) and households self identified as being of native ancestry (136). Households may fall into more than one target group; therefore, the total of all target groups exceeds the total grants issued.
Number of targeted households housed under the RSP	Since the mid-1990's, some 1,000 households were assisted each year under the Rent Supplement Program. The Province approved an additional $1 M for the RSP in 2008-09 to provide another 250 rent supplements to households residing in private rental accommodations. This funding resulted in an additional 186 low income households being housed during 2008-09. Also during the year, 78 rent supplement units were assigned to provide housing to clients of the Canadian Mental Health Association and Stella Burry Community Services. The RSP units will provide adequate and affordable housing to clients in the community served by these two organizations. In addition, *Housing* assigned a resource person to work with Canadian Mental Health Association and Stella Burry Community Services to identify appropriate private and non-profit housing and develop rent supplement agreements with the owners/operators. The units assigned to the two community organizations will be fully utilized during 2009-2010.

Indicators	Accomplishments 2008-09
Reduction in wait lists	The rental housing waitlist contains applicants for public rental housing and the rent supplement program. The number of applicants on the rental housing waitlist changes during the year as demand increases and decreases due to various reasons in the community. In 2008-09 *Housing* under took a review of the processes used by each regional office to determine applicant eligibility for rental housing. During the review it was noted that there were inconsistencies between regions that were impacting the validity of waitlist information. Changes were made where necessary to make the application process more efficient and increase the consistency of waitlist data. Although 186 new units were made available under the rent supplement program and vacant public housing units were re-occupied faster than in the previous year, the rental housing waitlist increased during 2008-09. The rental housing waitlist was 591 at the beginning of 2008-09. During the year the number of applicants increased to over 1,000; however, by March 31, 2009 the number had decreased to 890. The waitlist for the Provincial Home Repair Program decreased significantly during 2008-09, form 3,696 to 1,772. An additional $4 M per year for six years beginning on April 1, 2007 from the provincial government has enabled *Housing* to increase the number of households served by approximately 600 per year. *Housing* also conducted an analysis of the PHRP waitlist to identify applications that were no longer applicable.

OBJECTIVE FOR 2009/10

Issue One:	Improve the physical condition of the public housing portfolio.
Goal One:	By 2011, Housing will have improved the condition of the existing public rental housing.
Objective 2010:	Housing will have continued with upgrading and neighbourhood redevelopment plans.
Measures:	Upgraded public housing homes. Continuation of redevelopment plan.
Indicators:	Number of upgraded homes Continuation of neighbourhood improvements.
Issue Two:	Partner with private and non-profit groups to construct new rental accommodation for low and moderate income households.
Goal Two:	By 2011, Housing will have increased the supply of new rental accommodation under the Affordable Housing and Housing Trust Programs.
Objective 2010:	Housing will continue to partner with the private and non-profit groups to ensure completion of new rental accommodations under the Affordable Housing and Housing Trust Program.
Measure:	The number of new rental accommodations constructed.
Indicators:	Number of new rental accommodations constructed. Number of rental accommodations occupied by families, seniors, persons with disabilities and clients with special needs.
Issue Three:	Assist low income households living in private housing.
Goal Three:	By 2011, Housing will have improved the condition of privately owned homes of low income families assisted through the PHRP and increased the number of clients housed under the RSP.
Objective 2010:	Housing has continued to increase the number of low income households assisted under the PHRP and continued to increase the number of households assisted under the RSP.
Measures:	The number of privately owned homes repaired under the PHRP. The number of clients housed under the RSP.
Indicators:	Number of grants provided to households assisted under the PHRP. Number of target groups assisted under the PHRP. Number of targeted households housed under the RSP. Reduction of PHRP wait lists.

5.0 Opportunities and Challenges Ahead

OPPORTUNITIES

In collaboration with the Departments of Human Resources, Labour and Employment, Health and Community Services and Justice and community stakeholders, *Housing* has developed a long-term plan to guide the provincial response to the housing needs of lower-income individuals and families. This plan will be formally launched in 2009.

In 2009-10 and future years we will move forward on implementing the plan, working with our community and government partners to deliver housing programs and services that promote housing stability and prevent homelessness.

Funding for housing initiatives announced in Budget 2009, combined with federal funding commitments will enable us to build on our initiatives to create new housing and support the renewal of the existing stock of social housing, privately owned homes and rental properties that are home to those who need housing assistance.

CHALLENGES

In working to meet the housing needs of lower income households, *Housing* is cognizant of the challenges that may influence the outcomes that can be achieved. We will endeavour to meet the needs of social housing clients. One challenge is increasing demand and costs in the construction sector which may affect the availability of labour and result in budgetary pressures on new construction and housing renovation/ retrofit projects.

The mismatch between the large number of family-sized homes in the public housing stock and the high demand for one and two bedroom housing is another significant challenge. *Housing* will continue, with the involvement of community and government partners to be innovative and develop ways to use public housing to respond to the needs of smaller households.

Gross Morne Place and Baie Verte Street, St. John's, NL

6.0 Financial Statements

Auditor's Report

To the Chairperson and Members
Newfoundland and Labrador Housing Corporation
St. John's, Newfoundland and Labrador

I have audited the balance sheet of the Newfoundland and Labrador Housing Corporation as at 31 March 2009 and the statements of revenues, expenses and surplus, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 March 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

JOHN L. NOSEWORTHY, CA
Auditor General

St. John's, Newfoundland and Labrador
10 July 2009

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
BALANCE SHEET
31 March

	2009 (000's)	2008 (000's)
ASSETS		
Cash	**$ 40,633**	$ 21,622
Accounts receivable (Note 3)	**5,346**	2,717
Due from the Province of Newfoundland and Labrador - Labrador Housing Programs (Note 4)	**3,341**	4,221
Inventory and prepaid expenses (Note 5)	**3,418**	3,468
Mortgages and loans receivable (Note 6)	**13,390**	16,943
Receivable from municipalities re: land transfers (Note 7)	**1,504**	1,635
Land assemblies (Note 8)	**7,321**	9,331
Rental properties (Note 9)	**193,614**	201,793
Capital assets (Note 10)	**9,070**	8,026
	$ 277,637	$ 269,756
LIABILITIES AND EQUITY		
Accounts payable and accrued liabilities	**$ 12,021**	$ 10,630
Deferred revenue (Note 11)	**24,263**	14,364
Group health and life insurance retirement benefits (Note 12)	**13,343**	11,972
Capital replacement fund (Note 13)	**6,668**	7,195
Mortgage insurance fund (Note 14)	**3,252**	3,252
Mortgages, debentures and similar indebtedness (Note 15)	**24,374**	25,445
CMHC investment in cost-shared programs (Note 16)	**117,578**	125,299
	201,499	198,157
Equity		
Contributed capital - Province of Newfoundland and Labrador (Note 17)	**62,861**	62,861
Surplus	**13,277**	8,738
	76,138	71,599
	$ 277,637	$ 269,756

Contingent liabilities (Note 18)

Commitments (Note 19)

See accompanying notes

Signed on behalf of the Board: _____ Chairperson _____ Member

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
STATEMENT OF REVENUES, EXPENSES AND SURPLUS
For the Year Ended 31 March

	2009 (000's)	2008 (000's)
REVENUES		
CMHC (Note 21)	**$ 59,345**	$ 59,089
Province of Newfoundland and Labrador operating grant	**35,668**	28,460
Rent	**18,662**	18,343
Interest	**6,439**	6,325
Land assemblies sales	**6,818**	1,194
Gain on sale of rental properties	**481**	94
Profit from land sales by municipalities	**395**	843
Other income	**355**	627
Gains on mortgages, loans and repossessions	**30**	7
	128,193	114,982
EXPENSES		
Administrative expenses (Note 22)	**20,469**	18,314
CMHC share of interest revenue	**1,060**	585
Community based housing operating subsidies	**9,834**	9,807
Grants to homeowners	**20,930**	11,921
Interest expense	**2,390**	2,289
Land assemblies costs (Note 8)	**2,395**	30
Mortgage subsidies	**850**	1,204
Rental properties expenses (Note 23)	**61,359**	57,086
Rental properties written off	**5**	84
Rent supplement subsidies	**4,362**	3,939
	123,654	105,259
Excess of revenues over expenses	**4,539**	9,723
Surplus (deficit), beginning of year	**8,738**	(985)
Surplus, end of year	**$ 13,277**	$ 8,738

See accompanying notes

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION
STATEMENT OF CASH FLOWS
For the Year Ended 31 March

	2009 (000's)	2008 (000's)
Cash flows from operating activities:		
Excess of revenues over expenses	**$ 4,539**	$ 9,723
Add (deduct) non-cash items:		
Mortgage subsidies	**850**	1,204
Gains on mortgages, loans and repossessions	**(30)**	(7)
Amortization of rental properties (Note 23)	**6,983**	6,832
Amortization of community based housing	**831**	755
Amortization of Labrador Housing Programs	**1,050**	823
Write-off of rental properties	**5**	84
Gain on sale of rental properties	**(481)**	(94)
Amortization of capital assets	**1,070**	820
CMHC portion of non-cash items	**2,803**	552
Group health and life insurance retirement benefits (Note 12)	**1,371**	932
	18,991	21,624
Net change in other operating items	**(1,188)**	1,962
	17,803	23,586
Cash flows from investing activities:		
Decrease in receivable from municipalities re: land transfers	**131**	332
Decrease (increase) in land assemblies	**2,010**	(586)
Advances of mortgages and loans	**(1,663)**	(1,709)
Principal recoveries of mortgages and loans	**4,396**	4,825
Proceeds from sale of rental properties	**1,115**	519
Investment in capital assets	**(2,114)**	(1,655)
Investment in rental properties	**(274)**	(104)
Labrador Housing Programs	**(170)**	(3)
	3,431	1,619
Cash flows from financing activities:		
Increase in deferred revenue	**9,899**	13,443
Decrease in capital replacement fund	**(527)**	(191)
Repayments of mortgages, debentures, and similar indebtedness	**(1,071)**	(4,118)
Repayments of CMHC investment in cost-shared programs	**(10,524)**	(9,169)
	(2,223)	(35)
Increase in cash	**19,011**	25,170
Cash, beginning of year	**21,622**	(3,548)
Cash, end of year	**$ 40,633**	$ 21,622

Authority

The Newfoundland and Labrador Housing Corporation (the Corporation) operates under authority of the *Housing Corporation Act*. The purpose of the Corporation is to provide cost-effective housing and related programs for the benefit of the residents of the Province with priority given to those most in need. Its affairs are governed by a Board of Directors appointed by the Lieutenant-Governor in Council.

1. Significant accounting policies

These financial statements have been prepared by the Corporation's management in accordance with Canadian generally accepted accounting principles. Outlined below are the significant accounting policies followed.

(a) Mortgages and loans receivable

An allowance for mortgages and loans impairment is estimated based on the value of accounts referred to a collection agency and the accounts with reported arrears balances. The security and source of funding for the accounts that are in arrears are considered in this estimation.

(b) Repossessed units

Repossessed units are valued at the lower of cost and net realizable value based on appraised values and the estimated recovery of cost through social housing rental programs.

(c) Land assemblies

Land assemblies are valued at the lower of cost and net realizable value. Items capitalized as the cost of land assemblies include land acquisition costs, development costs, interest and other related carrying charges.

Land assembly sales are recognized as earned. A portion of the sales revenue is deferred to cover future anticipated costs relative to the land sold. The percentage of revenue deferred is equal to the percentage of cost to complete on a project by project basis.

(d) Rental properties

Rental properties are valued at the lower of cost less accumulated amortization and net recoverable amount. Items capitalized as the cost of a project include land acquisition costs, development and construction costs, interest and other related carrying charges. In instances where properties have been transferred from Government departments, costs have been recorded at $1. Amortization is calculated using the methods described below based on the expected useful lives of all assets as follows:

1. Significant accounting policies (continued)

(d) Rental properties (continued)

Non-profit housing	
- Capital cost	Sinking fund, 25-50 years
- Renovation costs	Sinking fund, 15 years
Market housing	
- Capital cost	2% declining balance
- Renovation costs	Straight line, 15 years

(e) Capital assets

All capital assets are capitalized at cost at the time of acquisition. Amortization is calculated using the methods described below based on the expected useful lives of all assets as follows:

Office buildings	2% declining balance
Furniture and office equipment	Straight line, 10 years
Computer hardware and software	Straight line, 4 years
Vehicles	Straight line, 5 years

(f) Capital contributions

Capital contributions are recorded as deferred revenue until the capital construction is complete. Once the capital construction is complete the capital contributions are recorded as a revenue.

(g) Severance pay

Severance pay is calculated based on years of service and current salary levels. Entitlement to severance pay vests with employees after nine years of continuous service. The amount is payable when employees cease employment with the Corporation unless an employee transfers to another entity in the public service, in which case the liability is transferred with that employee to the other entity.

(h) Revenue recognition

Interest income is accounted for on the accrual basis for all mortgages and loans other than the impaired portion of mortgages and loans. Recognition of interest in accordance with the terms of the original loan agreement ceases when a loan becomes impaired. A loan is classified as impaired when, in the opinion of management, there is reasonable doubt as to the ultimate collectability of a portion of principal or interest. The impaired portion of loans may revert to accrual status only when principal and interest payments have become fully current again, at which time any interest will be recognized in that fiscal year.

1. Significant accounting policies (continued)

(h) Revenue recognition (continued)

Revenue received for a future period is deferred until that future period and is reflected as deferred revenue.

(i) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the year.

(j) Financial instruments

The Corporation's financial instruments consist of cash, accounts receivable, due from the Province of Newfoundland and Labrador – Labrador Housing Programs, mortgages and loans receivable, receivable from municipalities re: land transfers, accounts payable and accrued liabilities, group health and life insurance retirement benefits, and mortgages, debentures and similar indebtedness. These financial instruments are accounted for as follows:

Held-for-trading

The Corporation has designated cash as held-for-trading and is measured at fair value.

Loans and receivable

The Corporation has classified the following financial assets as loans and receivables: accounts receivable, due from the Province of Newfoundland and Labrador – Labrador Housing Programs, mortgages and loans receivable, and receivable from municipalities re: land transfers. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Gains and losses arising from changes in fair value are recognized in net income upon de-recognition or impairment. Given the short-term nature of accounts receivable, due from the Province of Newfoundland and Labrador – Labrador Housing Programs, and receivables from municipalities re: land transfers, their carrying value equate their current fair value. The current fair value of mortgages and loans receivable is set out in Note 6.

(j) Financial instruments (continued)

Other financial liabilities

The Corporation has classified the following financial liabilities as other financial liabilities: accounts payable and accrued liabilities, group health and life insurance retirement benefits, and mortgages, debentures and similar indebtedness. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

Other financial liabilities are subsequently measured at their amortized cost, using the effective interest method. Gains and losses arising from changes in fair value are recognized in net income upon de-recognition or impairment. Given the short-term nature of accounts payable and accrued liabilities, their carrying value equate their current fair value. The carrying value of the Corporation's group health and life insurance retirement benefits is based on actuarial valuations adjusted over time for the effect of changes in assumptions and approximates its fair value. The current fair value of mortgages, debentures and similar indebtedness is set out in Note 15.

2. Change in accounting policy

On 1 April 2008, the Corporation adopted prospectively the Canadian Institute of Chartered Accountants' new recommendations for the recognition and measurement of financial instruments, and amendments to the existing presentation and disclosure standards. The new recommendations establish standards for recognizing and measuring financial assets, financial liabilities and derivatives. Financial instruments are defined as a contractual right to either receive or deliver cash or another financial instrument to another party.

The Corporation now recognizes its financial assets and liabilities as described above. Upon adoption, the Corporation re-measured its held-for-trading financial assets at their fair value, and its loans and receivables and other liabilities at their amortized cost. This change did not have an impact on the carrying value of any of these items.

3. Accounts receivable

	2009 (000's)	2008 (000's)
CMHC	$ 2,690	$ 155
HST	1,369	1,005
Land assemblies	389	914
Rents	224	167
Other	802	595
	5,474	2,836
Less: allowance for doubtful accounts	128	119
	$ 5,346	$ 2,717

4. Due from the Province of Newfoundland and Labrador - Labrador Housing Programs

In March 2000, the Province directed the Corporation to fund the renovation of existing dwellings and construction of new dwellings in Northern Coastal Labrador. In March 2002, the Province directed the Corporation to fund the construction of a personal care home in Mary's Harbour.

Under these initiatives, title to these dwellings is held by the homeowners with the Province repaying the renovation and construction costs over a 15 year period. As at 31 March 2009 the amount due from the Province was $3,341,000 (2008 - $4,221,000).

These projects are being amortized at $1,050,000 annually.

5. Inventory and prepaid expenses

	2009 (000's)	2008 (000's)
Inventory	$ 322	$ 411
Prepaid expenses	3,096	3,057
	$ 3,418	$ 3,468

6. Mortgages and loans receivable

	2009 (000's)	2008 (000's)
Provincial Home Repair Program	$ 6,201	$ 6,533
Residential Rehabilitation Assistance Program loans	3,985	5,429
Subsidized mortgages to homeowners	3,366	5,244
Other mortgages and loans	1,562	1,743
	15,114	18,949
Less: allowance for impaired accounts	1,724	2,006
	$ 13,390	$ 16,943

The allowance for impaired mortgages and loans relates primarily to the Residential Rehabilitation Assistance Program loans portfolio.

7. Receivable from municipalities re: land transfers

In September 1998, the Province directed the Corporation to enter into agreements with municipalities to transfer its banked and developed industrial and commercial land. The agreements will transfer these lands to the municipalities under a mortgage arrangement and provide for a share of future land sales revenue to the Corporation.

The receivable is valued at the lower of the carrying value of the land at the date of transfer and the Corporation's share of the net realizable value of the land as outlined in the agreement. The estimated net realizable value is determined using management's best estimates of future sales. Management recognizes that changes in future conditions, such as market demand, assumed in making these estimates are not predictable. Consequently, adjustments to the carrying value of the receivable from municipalities re: land transfers are possible depending on the impact of any changes and management's best estimate of them.

As of 31 March 2009, twenty-one agreements have been completed for the transfer of lands to municipalities at a carrying value of $1,504,000 (2008 - $1,635,000).

8. Land assemblies

	2009 (000's)	2008 (000's)
Land assemblies, beginning of year	**$ 9,331**	$ 8,745
Cost incurred during the year:		
Land acquisition and development	**281**	328
Interest, capitalized	**104**	288
	9,716	9,361
Less: cost of earned sales recognized during year	**2,395**	30
Land assemblies, end of year	**$ 7,321**	$ 9,331

In September 1998, the Province directed the Corporation to divest of the majority of its land holdings. Land assemblies are valued at the lower of cost and net realizable value. The estimated net realizable value is determined using management's best estimates of future sales and costs. Management recognizes that changes in future conditions, such as market demand, assumed in making these estimates, are not predictable. Consequently, material adjustments to the carrying value of the asset are possible depending upon the impact of any changes and management's best estimate of them.

9. Rental properties

	Accumulated Cost (000's)	2009 Net Amortization (000's)	Book Value (000's)	2008 Net Book Value (000's)
Non-profit housing				
- Capital cost	**$ 253,813**	**$ 66,433**	**$ 187,380**	$ 195,113
- Renovation costs	**4,981**	**2,880**	**2,101**	2,601
Market housing				
- Capital cost	**6,484**	**2,772**	**3,712**	3,850
Affordable Housing Trust				
- Construction costs	**295**	**-**	**295**	103
Leased land	**126**	**-**	**126**	126
	$ 265,699	**$ 72,085**	**$ 193,614**	$ 201,793

10. Capital assets

	Cost (000's)	2009 Accumulated Amortization (000's)	Net Book Value (000's)	2008 Net Book Value (000's)
Land	**$ -**	**$ -**	**$ -**	$ 90
Office buildings - capital cost	**7,732**	**2,791**	**4,941**	5,042
- construction	**1,651**	**-**	**1,651**	221
Furniture and office equipment	**167**	**91**	**76**	39
Computer hardware and software	**3,402**	**1,800**	**1,602**	1,978
Vehicles	**2,178**	**1,378**	**800**	656
	$ 15,130	**$ 6,060**	**$ 9,070**	$ 8,026

In 2009 land was reclassified to office buildings – construction.

11. Deferred revenue

	2009 (000's)	2008 (000's)
Affordable Housing Trust	**$ 14,005**	$ 6,470
CMHC Affordable Housing Program	**8,185**	5,441
Capital cost - office building	**1,300**	1,300
CMHC Social Housing Agreement	**406**	302
Rentals	**367**	851
	$ 24,263	$ 14,364

Deferred revenue rentals consists of rental payments received by the Corporation in advance of the due dates.

Deferred revenue Affordable Housing Trust (AHT) relates to the unearned balance of the AHT Federal Government funding.

Deferred revenue CMHC Affordable Housing Program (AHP) relates to the unearned balance of the AHP funds from CMHC.

Deferred revenue CMHC Social Housing Agreement relates to the unearned revenue from the devolution agreement with CMHC.

Deferred revenue capital cost - office building relates to funding received for the construction of an office/maintenance building.

12. Group health and life insurance retirement benefits

All retired employees of the Corporation are eligible to participate in the group insurance plans. Under the plans, the Corporation pays 50% of the total premium charged towards the benefits of both active employees and retirees for life insurance and health benefits. As at 31 March 2009, the plans provided benefits to 155 retirees (2008 - 167 retirees).

The actuarial valuation prepared by the Corporation's actuary was based on a number of assumptions about future events including an interest rate of 6%, health care cost trends, wage and salary increases, termination rates, plan participation rates, utilization rates and mortality. The assumptions used reflect the Corporation's best estimates of expected long-term rates and short-term forecasts.

12. Group health and life insurance retirement benefits (continued)

Group health and life insurance retirement benefits liability

Details of the group health and life insurance retirement benefits liability are outlined in the table below:

	Estimated Accrued Benefit Obligation (000's)	Unamortized Experience Gains (Losses) (000's)	Net Liability 2009 (000's)	Net Liability 2008 (000's)	Change (000's)
Group health retirement benefits	**$15,037**	**$(3,186)**	**$11,851**	$10,565	$1,286
Group life insurance retirement benefits	**1,433**	**59**	**1,492**	1,407	85
	$16,470	**$(3,127)**	**$13,343**	$11,972	$1,371

There are no fund assets associated with these plans.

Group health and life insurance retirement benefits expense

In these financial statements group health and life insurance retirement benefits costs have been determined as the cost of benefits accrued during the period. Interest on the liability has been accrued for the same period.

The change in the liability for the current period is comprised of the following amounts:

	Corporation's Share of Current Period Costs (000's)	Interest Expense on the Liability (000's)	Corporation's Current Period Contributions (000's)	Current Period Amortization of Experience Changes (000's)	Change (000's)
Group health Retirement benefits	$316	$850	$(230)	$350	$1,286
Group life insurance retirement benefits	20	81	(11)	(5)	85
	$336	$931	$(241)	$345	$1,371

12. Group health and life insurance retirement benefits (continued)

Experience gains or losses

Experience gains or losses are amortized over the estimated average remaining service life of active participants. The amortization amount will be included with retirement costs in the financial statements commencing in the year subsequent to the year in which the experience gain or loss arose.

The unamortized experience loss at 31 March 2009 resulted from an increase in health premium rates charged by the insurance provider.

13. Capital replacement fund

In accordance with program guidelines for non-profit and urban native housing projects, sponsor groups are required to set aside funds for the replacement of major capital items. The funds are held on behalf of the project sponsors and are released as eligible capital replacement expenditures are incurred.

Transactions relating to the capital replacement fund during the year are as follows:

	2009 (000's)	2008 (000's)
Balance, beginning of year	**$ 7,195**	$ 7,386
Capital replacement expenditures	**(527)**	(191)
Balance, end of year	$ 6,668	$ 7,195

14. Mortgage insurance fund

Upon signing the Canada - Newfoundland Social Housing Agreement (see Note 21), the Corporation assumed liability for all losses and costs that may be incurred in respect of a portfolio of loans that are owned and were previously insured by Canada Mortgage and Housing Corporation (CMHC). In return, CMHC provided the Corporation with a $3,000,000 mortgage insurance fund as protection against future losses. Losses on loans are deducted from the fund, while interest earnings were added to the fund until 1 April 2003. The Corporation ceased accruing interest as of 1 April 2003.

	2009 (000's)	2008 (000's)
Balance, beginning of year	**$ 3,252**	$ 3,252
Gains (losses) for the year	**-**	-
Balance, end of year	$ 3,252	$ 3,252

14. Mortgage insurance fund (continued)

The fund covers a portfolio of Federal loans totalling $158,933,062. The majority of these loans relate to either Social Housing projects that receive significant Federal/Provincial annual operating subsidies or nursing home accommodations with Provincial Government guarantees. While an independent actuarial valuation of the fund has not been carried out, the fund is considered adequate by the Corporation's management.

15. Mortgages, debentures and similar indebtedness

	2009 (000's)	2008 (000's)
With fixed terms of repayment		
CMHC fixed rate term debentures, at an interest rate of 4.12% repayable in blended annual installments of $2,093,539, with final due dates ranging from March 2022 to January 2030	**$ 24,374**	$ 25,445

Principal repayments for the next five years on the $24,374,000 of debt with fixed terms of repayment are as follows:

	(000's)
2010	$ 1,119
2011	$ 1,165
2012	$ 1,218
2013	$ 1,268
2014	$ 1,316

16. CMHC investment in cost-shared programs

	2009 (000's)	2008 (000's)
Non-profit rental housing	**$ 87,018**	$ 88,159
Rural and native housing	**27,916**	33,157
Home repair assistance	**2,644**	3,983
	$ 117,578	$ 125,299

The principal and interest payments required to amortize CMHC's investment in non-profit rental housing and rural and native housing is funded entirely through the annual Federal grant paid by CMHC, pursuant to the Canada-Newfoundland Social Housing Agreement signed in April 1997 (see Note 21).

Repayment of CMHC's investment in the home repair assistance programs has no fixed term and is dependant upon future repayments of principal and interest on mortgages and loans.

17. Contributed capital - Province of Newfoundland and Labrador

Contributed capital represents accumulated capital advances of $62,861,000 made to the Corporation by the Province. These advances are utilized by the Corporation to develop housing projects, land assemblies and related programs for the benefit of the residents of the Province.

18. Contingent liabilities

Claims

Claims have been filed against the Corporation for:

(i) General damages related to the enforcement of a Sales and Development Agreement for a shopping mall complex.

(ii) $100,000 relating to funds withheld from a contractor for deficiencies on houses constructed. This claim was filed by the contractor against both the Corporation (the mortgagee) and the homeowners of the houses.

(iii) Special damages related to an alleged breach of contract and/or negligence relating to the sale of an apartment and commercial complex property.

The above claims have not progressed far enough to enable the formation of a definite opinion as to their outcome. Therefore, the likelihood and the amount of loss to the Corporation is not determinable at this time.

Environmental issues

Possible environmental liabilities exist for the following:

(i) In 1996, the Corporation learned that possible environmental liabilities exist with respect to potential large quantities of fuel left in abandoned fuel storage facilities in the Stephenville area. The Corporation has removed some of the underground tanks and fuel lines and has undertaken some further study. To date, expenditures related to this work have totalled $2,600,000. As well, based on the studies completed to date, further remediation is estimated to cost $10,000,000.

(ii) In 1998, the Corporation learned that possible environmental liabilities exist with respect to environmental contaminants including hydrocarbons and various heavy metals in the soil and groundwater on 20 hectares of the total 102 hectares in the Paradise area. Title to this site had been transferred to the Town of Paradise during 1998-99 as part of the Corporation's land divestiture program; however, the Corporation will be liable for any costs that must be incurred to clean up the site. Information received from a study completed in January 2000 indicates that the estimated costs of undertaking site remediation based on the information to date is in the order of $6,000,000.

18. Contingent liabilities (continued)

Environmental issues (continued)

(iii) In 1999, the Corporation learned of possible environmental liabilities relating to 17 underground fuel tanks in its St. John's properties located at Buckmaster's Circle. As a result of an environmental study conducted in 2000, the cost of environmental remediation related to this property is estimated at $1,000,000. To date, expenditures related to this work have totalled $317,000. All 17 tanks have been removed and remediation has been completed on 7 of the 17 sites.

(iv) In 2005, the Corporation learned of possible environmental liabilities relating to underground fuel tanks in its St. John's properties located on Cashin Avenue, Froude Avenue, Empire Avenue and Hoyles Avenue. The cost of environmental remediation is estimated at $1,400,000. It is currently estimated that there are 21 underground fuel tanks at these properties. To date, expenditures related to this work have totalled approximately $100,000. Removal and remediation has been completed on 8 of the 21 estimated sites.

(v) In 2009, the Corporation learned of possible environmental liabilities relating to 7 underground fuel tanks in its St. John's properties located at Pleasantville. The cost of environmental remediation is estimated at $400,000.

(vi) In 2009, the Corporation learned of possible environmental liabilities relating to electrical transformers containing polychlorinated biphenyls (PCBs) located around its St. John's properties at Chalker Place. The cost of environmental remediation is estimated at $200,000.

The Corporation's ability to remediate these sites is dependent upon funding from the Province of Newfoundland and Labrador.

19. Commitments

The Corporation has commitments totalling $15,884,661 comprised of uncompleted purchase and construction contracts at year end of $2,594,901 and commitments under lending programs of $13,289,760.

20. Financial instrument risks

The Corporation, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of those risks at 31 March 2009:

(a) Credit risk

Credit risk is the risk that the Corporation will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Corporation to credit risk consist of cash, accounts receivable, mortgages and loans receivable, and receivable from municipalities re: land transfers. Any estimated impairment of mortgages and loans receivable is provided for through an allowance for impaired accounts and no further credit risk exists for these long-term receivables.

(b) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation is not materially exposed to foreign exchange risk as all financial instruments are denominated in Canadian dollars and there was an immaterial amount of foreign currency-denominated accounts payable transactions during the year.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation does not use derivative instruments to reduce its exposure to interest rate risk. Interest rates on the majority of mortgages and loans receivable and mortgages, debentures and similar indebtedness are fixed to maturity.

(d) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The Corporation maintains adequate levels of working capital to ensure all its obligations can be met when they fall due.

21. Revenue from CMHC

CMHC's share of program subsidies and administration costs are as follows:

	2009 (000's)	2008 (000's)
1997 Canada-Newfoundland Social Housing Agreement	**$ 50,398**	$ 51,794
Affordable Housing Program	**4,705**	2,881
Provincial Home Repair Program	**4,240**	4,331
Residential Rehabilitation Assistance Program	**(7)**	73
Mortgages	**9**	10
	$ 59,345	$ 59,089

On 22 April 1997, the Corporation signed the Canada - Newfoundland Social Housing Agreement with CMHC replacing all existing social housing program agreements between the two parties relating to social housing programs, with the exception of certain loan and mortgage programs.

22. Administrative expenses

	2009 (000's)	2008 (000's)
Advertising and promotion	**$ 151**	$ 100
Computer system costs	**1,787**	1,746
General	**805**	567
Office equipment	**96**	108
Office supplies	**172**	165
Rent, heat, light, cleaning and maintenance	**1,289**	1,145
Salaries and employee benefits	**15,125**	13,598
Telephone and postage	**426**	339
Travel and vehicle expenses	**618**	546
	$ 20,469	$ 18,314

23. Rental properties expenses

	2009 (000's)	2008 (000's)
Amortization	**$ 6,983**	$ 6,832
Bad debts	**114**	31
Heat, light and operating	**10,461**	9,470
Interest on debt	**17,039**	18,162
Municipal taxes	**5,312**	5,069
Repairs and maintenance	**21,450**	17,522
	$ 61,359	$ 57,086

24. Pensions

Under the *Housing Corporation Act*, Corporation staff are subject to the *Public Service Pensions Act*. Employee contributions are matched by the Corporation and remitted to the Province of Newfoundland and Labrador Pooled Pension Fund from which pensions will be paid to employees when they retire. The Corporation's share of pension contributions for 2009 was $1,179,363 (2008 - $1,066,540).

25. Self-insurance

With the exception of certain high-risk projects, the Corporation follows the policy of self-insuring its rental properties for property damage such as fire, water and vandalism. The costs of these repairs are charged to rental properties expenses.

26. Province of Newfoundland and Labrador contribution

The Province of Newfoundland and Labrador contributed approximately 28% (2008 – 25%) of the Corporation's total revenues. The contribution enables the Corporation to carry out its overall mandate and to meet its fiscal challenges.

The Corporation's ability to continue to fulfill its mandate is dependent upon the decisions of the Province of Newfoundland and Labrador.

27. Income taxes

The Corporation is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes.

28. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

Newfoundland
Labrador

Housing

P.O. Box 220, 2 Canada Drive
St. John's, NL A1C 5J2